(c) if so, whether Government propose to provide special assistance to the State Government for renovation and improvement of tea gardens; and

(d) if so, the details thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CHENNAMANENI VIDYA SAGAR RAO) : (a) The total area in Himachal Pradesh where tea is cultivated is about 2311 hectares, comprising of about 2117 hectares in Kangra district, about 193 hectares in Mandi district and about 1 hectare in Chamba district.

(b) Yes, Sir. Owing to hilly terrain and the prevailing agro-climatic conditions, Himachal Pradesh has an inherent advantage of producing high quality tea.

(c) and (d) Government/Tea Board is operating various tea developmental schemes in Himachal Pradesh such as rejuvenation pruning and consolidation of the old uneconomic sections, small growers development scheme, reclamation of the earlier abandoned tea areas by granting subsidy for rejuvenation and replacement planting, quality upgradation programme etc. Necessary research and development support is also extended to the State for encouraging scientific cultivation through demonstration plots. During the 10th Five Year Plan, emphasis has been given on consolidation of existing tea areas for improving productivity and quality. Besides, the Government has also launched a Price Stabilisation Fund for the small growers upto 4 hectares to provide protection to the small tea growers against fluctuating price situation.

Incentives to Service Sector in New Exim Policy

3868. SHRI SANJAY NIRUPAM : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether Government have given any incentives to the service sector in the newly announced Exim Policy; and

(b) if so, the details thereof and the reasons thereof ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) and (b) The Government has formulated a scheme wherein service providers have been allowed duty free credit entitlement for import of spares, office equipments and furniture, professional equipment and consumables (other than

agriculture and dairy products). The entitlement would be equivalent to 10% of the average foreign exchange earned by them in the preceding three licencing years excepting for the service providers in the tourism sector. The entitlement in the case of hotels (which are three star and above) and those related to the tourism sector (registered with the Department of Tourism) would be 5% of the average foreign exchange earned by them in the preceding three licensing years. The scheme will cover only those service provider who have an average foreign exchange earning of over Rs. 10 lakhs in the preceding three licencing years.

The scheme would provide necessary impetus for export of services from India which has the competitive advantage in service sector having qualified manpower.

US for Deeper Trade and Investment Ties

3869. SHRI K. NATWAR SINGH : Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the United States of America have sought deeper trade and investment ties with India describing Indo-US Economic relationship as somewhat disappointing in the present context;

(b) if so, whether the diplomatic and political relationship between the two countries have remarkably grown in the past;

(c) whether any concrete steps in this regard have been work out;

(d) if so, the details thereof; and

(e) to what extent, trade and investment ties between the two countries are further being considered ?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI RAJIV PRATAP RUDY): (a) and (b) Indo-US economic relations have grown significantly in the recent past. A reflection of enhanced Indo-US economic cooperation is the increase in bilateral trade. USA is India's largest trading partner and export destination. The Indian exports to USA have trebled since 1993 and doubled since 1997 Buoyancy is also seen in diplomatic and political relations between India and USA.

(c) and (d) Our Prime Minister and the US President signed a vision statement on Indo-US relations for the 21st Century in March, 2000 put-